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8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA

10 JEFF BOWMAN AND LAUROS REYES  
11 aka LARRY REYES,

12 Plaintiffs,

13 vs.

14 UBS FINANCIAL SERVICES INC. and  
15 DOES 1 through 50, inclusive,

16 Defendants.

CASE NO. C 04 03525 MMC

**[PROPOSED] ORDER GRANTING  
PRELIMINARY APPROVAL OF  
SETTLEMENT AND SETTING FINAL  
APPROVAL HEARING**

Date: June 30, 2006

Time: 9:00 am

Place: Courtroom 7, 19th Floor

Judge: **HONORABLE MAXINE M. CHESNEY**

19 The joint motion of Plaintiffs Jeff Bowman and Lauros Reyes and Defendant UBS  
20 Financial Services, Inc. (collectively the "Settling Parties") for an order preliminarily approving a  
21 class action settlement and setting a Final Approval Hearing, came on for hearing on June 30,  
22 2006. The Court has considered the Joint Stipulation of Settlement and Release and [Proposed]  
23 Notice to Class Members (and attached exhibits), the submissions of counsel, and all other papers  
24 filed in this action. The matter having been submitted and good cause appearing therefor, the  
25 Court hereby finds and orders as follows:

26  
27  
28

1           1. All defined terms contained herein shall have the same meanings as set  
2 forth in the Joint Stipulation of Settlement and Release executed by the Settling Parties and filed  
3 with this Court (the "Joint Stipulation"), except that the period covered by the Settlement (defined  
4 in the Joint Stipulation as the "Covered Period") is June 30, 2000 through June 30, 2006.

5           2. The Court finds on a preliminary basis that the Settlement memorialized in  
6 the Joint Stipulation is within the range of reasonableness and hereby grants preliminary approval  
7 to the Settlement.

8           3. The Court conditionally finds that, for the purposes of approving this  
9 Settlement only and for no other purpose and with no other effect on the Litigation, including no  
10 effect on the Litigation should the Joint Stipulation not ultimately be approved or should the  
11 Effective Date not occur, the proposed Class meets the requirements for certification under Rule  
12 23 of the Federal Rules of Civil Procedure: (a) the proposed Class is ascertainable and so  
13 numerous that joinder of all members of the class is impracticable; (b) there are questions of law  
14 or fact common to the proposed Class; (c) the claims of Plaintiffs Jeff Bowman and Lauros Reyes  
15 are typical of the claims of the members of the proposed Class; (d) Plaintiffs Jeff Bowman and  
16 Lauros Reyes will fairly and adequately protect the interests of the Class Members; (e) a class  
17 action is superior to other available methods for an efficient adjudication of this controversy; and  
18 (f) the counsel of record for the Class Representatives are qualified to serve as counsel for the  
19 Class Representatives in their own capacities as well as their representative capacities and for the  
20 Class.  
21

22           4. The Court hereby appoints Jeff Bowman and Lauros Reyes as Class  
23 Representatives and the law firms of Dostart Clapp Gordon & Coveney, LLP, Hoffman & Lazear,  
24 Thierman Law Firm, the Law Offices of Steven L. Miller, and Kingsley & Kingsley as Class  
25 Counsel.  
26

27           5. The Court hereby appoints Rust Consulting as the Claims Administrator.  
28

1           6. The Settling Parties have also presented to the Court for review a plan to  
2 provide notice to the proposed Class of the terms of the Settlement and the options facing the  
3 Class including, *inter alia*: to make a claim under the Settlement, to request exclusion from the  
4 Settlement, or to object to the Settlement. The notice plan proposed by the Settling Parties in the  
5 Joint Stipulation is the best practical under the circumstances. The Notice of Pendency of Class  
6 Action, Proposed Settlement and Hearing Date for Final Court Approval (“Class Notice”), Claim  
7 Form, and Exclusion Form, attached hereto as Exhibits 1-3, are hereby approved. The Claims  
8 Administrator shall mail Exhibits 1-3 to the Class Members pursuant to the applicable provisions  
9 in the Joint Stipulation. UBS shall provide the Claims Administrator with the information  
10 necessary to conduct this mailing as set forth in the Joint Stipulation. Class Counsel shall file  
11 with the Clerk of the Court a hardcopy version of the Joint Stipulation, which shall include the  
12 revised Class Notice, Claim Form, and Exclusion Form attached hereto as Exhibits 1-3.  
13  
14

15           7. The Court hereby establishes the following deadlines:  
16

17	<b>7/24/06</b>	Deadline for Claims Administrator to mail Class 18                 Notice, Claim Form, and Exclusion Form to Class 19                 Members.
20	<b>9/22/06</b>	Deadline for Class Members to postmark Claim 21                 Forms or Exclusion Forms, or to file and serve 22                 objections to the Settlement.
23	<b>10/20/06</b>	Deadline for Class Counsel to file and serve motion 24                 for final approval of Settlement and motion for 25                 attorney’s fees, costs, and plaintiff enhancements.
26	<b>11/17/06 at 9:00 a.m.</b>	Final Approval Hearing.

1           8. Individual Class Members may be heard at the Final Approval Hearing,  
2 either personally or through their counsel, only if they file and serve on counsel for the Settling  
3 Parties, on or before September 22, 2006, a written objection to the Settlement and/or a written  
4 notice of their intention to appear at the Final Approval Hearing. The objection or notice of  
5 intention to appear shall explain, in clear and concise terms, the Class Member's position  
6 regarding the Settlement and the basis for that position.  
7

8           9. Class Counsel shall respond to any written objection to the Settlement in  
9 their motion for final approval, which motion shall be filed and served on or before October 20,  
10 2006. In addition, at the Final Approval Hearing, Class Counsel shall be prepared to address any  
11 objections to the Settlement and to provide other information as appropriate bearing on whether  
12 or not the Settlement should be finally approved.  
13

14           10. In the event that the Effective Date occurs, all Settlement Class Members  
15 will be deemed to have forever released and discharged the Released Claims. In the event that  
16 the Effective Date does not occur for any reason whatsoever, the Joint Stipulation shall be  
17 deemed null and void and shall have no effect whatsoever.  
18

19  
20 PURSUANT TO STIPULATION, IT IS SO ORDERED.

21  
22 DATED: July 6, 2006

  
The Honorable Maxine M. Chesney  
United States District Judge

**EXHIBIT 1**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

JEFF BOWMAN AND LAUROS REYES  
aka LARRY REYES, individually, and on  
behalf of all others similarly situated,

Plaintiffs,

vs.

UBS FINANCIAL SERVICES, INC. and  
DOES 1 through 50, inclusive,

Defendants.

CASE NO. C-04-03525 MMC

**NOTICE OF PENDENCY OF CLASS  
ACTION, PROPOSED SETTLEMENT  
AND HEARING DATE FOR COURT  
APPROVAL**

**TO: ALL CURRENT AND FORMER EMPLOYEES OF UBS  
FINANCIAL SERVICES INC. ("UBS") WHO WERE EMPLOYED BY UBS  
IN THE STATE OF CALIFORNIA AS FINANCIAL ADVISORS (JOB  
CODE 456) AND/OR NEW FINANCIAL ADVISORS OR FINANCIAL  
ADVISOR TRAINEES (JOB CODES 226 AND 457) DURING ALL OR  
PART OF THE PERIOD FROM JUNE 30, 2000 THROUGH JUNE 30, 2006:**

**PLEASE READ THIS NOTICE CAREFULLY.**

**IF YOU WISH TO RECEIVE YOUR SHARE OF THE  
SETTLEMENT OF THIS CLASS ACTION, YOU NEED TO  
COMPLETE AND POSTMARK YOUR CLAIM FORM NOT  
LATER THAN SEPTEMBER 22, 2006.**

**IF YOU WISH TO COMMENT IN FAVOR OF THE  
SETTLEMENT OR OBJECT TO THE SETTLEMENT, OR IF YOU  
DECIDE NOT TO PARTICIPATE IN THE SETTLEMENT, YOU  
MUST FOLLOW THE DIRECTIONS IN THIS NOTICE.**

**IF YOU INTEND NOT TO PARTICIPATE IN THE SETTLEMENT,  
YOU MUST COMPLETE AND POSTMARK YOUR EXCLUSION  
FORM ON OR BEFORE SEPTEMBER 22, 2006, OR ELSE YOU  
WILL BE BOUND BY THE SETTLEMENT.**

Pursuant to the order of the United States District Court for the Northern District of California entered on July \_\_, 2006, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A proposed settlement (the "Settlement") has been reached between the parties in this class action pending in United States District Court for the Northern District of California

1 brought on behalf of all individuals described above (the "Class"). The Court has preliminarily  
2 approved the Settlement and conditionally certified the Class for purposes of the Settlement only.  
3 You have received this notice because UBS records indicate that you are a member of the Class.  
4 This notice is designed to inform you of how you can make a claim under the Settlement,  
5 comment in favor of the Settlement or object to the Settlement, or elect not to participate in the  
6 Settlement. If you do not timely submit an Exclusion Form, and if the Settlement is finally  
7 approved by the Court, the Settlement will be binding upon you, even if you object to the  
8 Settlement. However, to receive your share of the proceeds to be paid under the Settlement, you  
9 must submit a valid and timely Claim Form.

10

11 **I. BACKGROUND OF THE CASE**

12

13 On June 30, 2004, plaintiff Jeff Bowman commenced a purported class action  
14 against UBS in Alameda County Superior Court ("Bowman action"). On October 13, 2004  
15 plaintiff Lauros Reyes commenced a purported class action against UBS in Los Angeles County  
16 Superior Court ("Reyes action"). On August 23, 2004 UBS filed its answer to the Bowman  
17 action, and on January 3, 2005 UBS filed its answer to the Reyes action. On August 23, 2004  
18 UBS removed the Bowman action to the United States District Court for the Northern District of  
19 California and moved to consolidate the Bowman action and the Reyes action. On May 11, 2005  
20 the Bowman action and the Reyes action were consolidated into the instant action.

21

22 In the action, plaintiffs allege that they and the Class were misclassified as exempt  
23 from the overtime laws and not paid compensation for overtime hours they worked, and that they  
24 were owed overtime compensation plus interest and penalties. They allege that they incurred  
25 business-related expenses, that UBS did not reimburse them for those expenses and that UBS  
26 unlawfully adjusted their compensation to account for those business expenses. They also allege  
27 that they and the Class were not provided with meal periods.

1                   UBS denies all of plaintiffs' material allegations. Specifically, UBS denies that  
2 plaintiffs and the Class were misclassified as exempt, and denies that plaintiffs and the Class are  
3 owed any compensation for overtime hours, interest, or penalties or for business-related expenses.  
4 UBS further denies that it unlawfully adjusted the compensation of the Class to account for those  
5 business expenses. UBS also denies that they were not provided with meal periods.

6

7                   After good-faith negotiations presided over by a private mediator on July 11, 2005  
8 and then after a full-day of good-faith negotiations on September 28, 2005 between Class Counsel  
9 and counsel for UBS, in which both sides recognized the substantial risk of an adverse result in  
10 the action for either side, plaintiffs and UBS agreed to settle the action pursuant to the terms and  
11 conditions of the Settlement.

12

13                  The Settlement represents a compromise and settlement of highly disputed claims.  
14 Nothing in the Settlement is intended to or will be construed as an admission by UBS that  
15 plaintiffs' claims in the action have merit or that it has any liability to plaintiffs or the Class on  
16 those claims.

17

18                  Plaintiffs and UBS, and their counsel, have concluded that the Settlement is  
19 advantageous, considering the risks and uncertainties to each side of continued litigation. The  
20 parties and their counsel have determined that the Settlement is fair, reasonable, and adequate and  
21 is in the best interests of the members of the Class.

22

23                  As a member of the Class, you will participate in the Settlement and, if you submit  
24 a valid and timely Claim Form, share in the proceeds to be paid under the Settlement unless you  
25 elect not to participate by timely filing an Exclusion Form.

26

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1       **II. SUMMARY OF THE SETTLEMENT**

3                  The Settlement provides for the following:

5       **A. Who is included in the Settlement?**

7                  You are included in the Settlement if you meet all of the conditions set forth in the  
8 beginning of this notice. It is estimated that there are approximately 2,800 members of the Class.

10       **B. Who is representing the Class?**

11                  The attorneys for the Class (referred to as "Class Counsel") are:

13                  James F. Clapp  
14                  Marita M. Lauinger  
15                  Dostart Clapp Gordon & Coveney, LLP  
16                  4370 La Jolla Village Dr. Ste. 970  
17                  San Diego, CA 92122  
18                  Tel. (858) 623-4200

19                  H. Tim Hoffman  
20                  Hoffman & Lazear  
21                  180 Grand Avenue, Suite 1550  
22                  Oakland, CA 94612  
23                  Tel. (510) 763-5700

24                  Mark R. Thierman  
25                  Thierman Law Firm  
26                  7287 Lakeside Drive, Suite 101  
27                  Reno, NV 89511  
28                  Tel. (775) 284-1500

22                  Steven L. Miller  
23                  Law Offices of Steven L. Miller  
24                  16133 Ventura Blvd., Ste. 1200  
25                  Encino, CA 91436  
26                  Tel. (818) 986-8900

25                  Eric Kingsley  
26                  Kingsley & Kingsley, APC  
27                  16133 Ventura Blvd., Ste. 1200  
28                  Encino, CA 91436  
                Tel. (818) 990-8300

1                   **ANY QUESTIONS YOU HAVE CONCERNING THE SETTLEMENT OR**  
 2                   **THE CLAIMS PROCESS SHOULD BE DIRECTED TO CLASS COUNSEL AT THE**  
 3                   **ADDRESSES AND TELEPHONE NUMBERS LISTED ABOVE.**

4

5                   **C.       What will I receive from the Settlement?**

6

7                   From a Settlement of up to \$44,000,000 less (i) Class Counsel's Fees and  
 8 Expenses, (ii) the Class Representatives' payment, and (iii) the Claims Administrator's fees and  
 9 costs (the "Class Member Distribution Amount"), UBS will make a settlement payment to each  
 10 Class Member who submits an approved claim based on the number of months the Class Member  
 11 worked as a Financial Advisor and/or Financial Advisor Trainee. For these purposes, months  
 12 worked are defined to include any month or portion of a month worked during the Covered  
 13 Period. The Covered Period is defined as the period from June 30, 2000 through June 30, 2006.  
 14 The Settlement Payments will be reduced by applicable tax deductions and withholdings.

15

16                  The parties estimate that, after deduction of Class Counsel's Fees and Expenses,  
 17 the Class Representatives' payment, and the Claims Administrator's fees and costs, each Class  
 18 Member who submits a timely and valid Claim Form will receive \$ \_\_\_\_\_ for each full or  
 19 partial month they worked as a Financial Advisor or Financial Advisor Trainee during the  
 20 Covered Period. For example, if you worked as a Financial Advisor from January 1, 2001 until  
 21 January 15, 2003 (25 full or partial months), you would receive \$ \_\_\_\_\_, less applicable tax  
 22 deductions and withholding.

23

24                  In addition to the settlement amount discussed in the preceding paragraphs, UBS  
 25 has agreed to cancel any agreements entered into by Class Members to repay losses or debts due  
 26 to trading errors or omissions.

1           **D. When will I receive my Settlement Payment?**

2  
3           The Settlement Payments will be paid after final court approval of the Settlement  
4 and after all rights to appeal or review are exhausted or any appeal or review has been resolved in  
5 favor of the Settlement.

6  
7           **E. What if I do not want to participate in the Settlement?**

8  
9           You will not be included in the Settlement if you elect not to participate by  
10 submitting an Exclusion Form that is provided with this notice and in accordance with the  
11 conditions for submitting that form.

12  
13          **F. What if I do not submit an Exclusion Form but also do not submit a Claim**  
14          **Form?**

15  
16          You still will be bound by the terms of the Settlement, but you will not receive a  
17 Settlement Payment. To receive your share of the Settlement you must submit a valid and timely  
18 Claim Form.

19  
20          **G. Claims Administrator.**

21  
22          The Court has appointed Rust Consulting Inc., 625 Marquette Avenue, Suite 880,  
23 Minneapolis, MN 55402-2469, telephone: 612-359-2000, to act as an independent settlement  
24 administrator and to resolve any dispute concerning a Class Member's eligibility to participate in  
25 the Settlement and his or her share of the Settlement proceeds.

1                   H.     Release of Claims.

2

3                   The Settlement includes a release by Class Members (other than those who file  
 4 Exclusion Forms) of UBS and its former and present officers, directors, employees, partners,  
 5 shareholders, and agents, and any other successors, assigns or legal representatives (“Class  
 6 Members’ Released Parties”), from any and all wage-and-hour claims, rights, demands and  
 7 causes of action of every nature and description, whether known or unknown, arising during the  
 8 period from June 30, 2000 to the date on which the District Court gives final approval of the  
 9 Settlement (“Class Members’ Released Period”), including without limitation statutory,  
 10 constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties,  
 11 liquidated damages, punitive damages, interest, attorney fees, litigation costs, restitution, or  
 12 equitable relief, based on the following categories of allegations: (a) any and all claims for the  
 13 failure to pay any type of overtime wages; any and all claims for the failure to provide meal  
 14 and/or rest periods; and/or any and all claims stemming from or based on the alleged  
 15 misclassification of employees as exempt employees, *i.e.*, employees who are exempt under  
 16 federal and/or California law from the wage and hour requirements imposed on employees who  
 17 do not qualify for any exemption, including without limitation the executive, administrative, or  
 18 professional exemptions set forth in state and federal law; (b) any and all claims alleging the  
 19 improper assessment of costs, fines, penalties, chargebacks or settlements on employees,  
 20 including without limitation claims for improper trading error deductions; and (c) any and all  
 21 claims for failure to reimburse, indemnify or cover or pay for business costs, including without  
 22 limitation claims for reimbursement of costs spent on or imposed for any type of business  
 23 expense or support staff (Class Members’ Released Claims). The Class Members’ Released  
 24 Claims include claims meeting the above definition under any and all applicable statutes,  
 25 including without limitation the federal Fair Labor Standards Act, the Portal to Portal Act,  
 26 California Labor Code 96 through 98.2 et seq., the California Payment of Wages Law, and in  
 27 particular, California Labor Code § 200 et seq., including California Labor Code §§ 200 through  
 28 243 and §§ 203 and 218 and 218.5 in particular, California Labor Code § 300 et seq.; California

1 Labor Code § 400 et seq.; California Working Hours Law, California Labor Code § 500 et seq.,  
 2 California Labor Code § 1194; California Labor Code §§ 2802 and 2804; the California Unfair  
 3 Competition Act, and in particular, California Bus. & Prof Code § 17200 et seq., the California  
 4 Labor Code Private Attorneys General Act of 2004, codified at California Labor Code §§ 2698  
 5 through 2699, California Code of Civil Procedure § 1021.5, any other provision of the California  
 6 Labor Code or any applicable California Industrial Welfare Commission Wage Orders, in all of  
 7 their iterations (including without limitation Wage Order 4 and the wage, overtime, meal and rest  
 8 period, record-keeping, and deduction provisions thereof).

9

10           The parties acknowledge that, during the Class Members' Released Period, certain  
 11 Class Members may have entered into agreements to repay losses due to trading errors and/or  
 12 omissions ("Repayment Agreements"). Except for those Class Members who file Exclusion  
 13 Forms, UBS hereby releases and discharges the Class Members, and each of their heirs,  
 14 representatives, successors, and assigns, from any and all claims, suits, debts, or demands based  
 15 upon or arising from such Repayment Agreements. Furthermore, UBS agrees that, upon entry of  
 16 the order granting preliminary approval, UBS will refrain from collecting on any such Repayment  
 17 Agreements unless and until the Settlement is either disapproved by the Court or revoked  
 18 pursuant to Paragraph 68 of the Joint Stipulation and Settlement Agreement.

19

20

### I. Class Representatives.

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1           **J.       Attorneys' Fees.**

2

3           Class Counsel will seek approval from the Court for payment of attorneys' fees in  
 4 the amount of twenty-five percent (25%) of the total Settlement, or \$11,000,000.00, plus up to  
 5 \$100,000.00 in actual litigation costs incurred which, if approved by the Court, will be deducted  
 6 from the Maximum Payment under the Settlement. Class Counsel believe the amount for costs  
 7 and attorneys' fees requested is fair and reasonable, and UBS will not oppose their request for  
 8 that amount.

9

10          **K.       Costs of Administration.**

11

12          The costs of administering the Settlement also will be deducted from the  
 13 Maximum Payment under the Settlement.

14

15          **III.      PLAINTIFFS AND CLASS COUNSEL SUPPORT THE SETTLEMENT.**

16

17          Plaintiffs as Class Representatives and Class Counsel support this Settlement.  
 18 Their reasons include the inherent risk of denial of class certification, the risk of a trial on the  
 19 merits, and the inherent delays and uncertainties associated with litigation. Based on their  
 20 experience litigating similar cases, Class Counsel believe that further proceedings in this case,  
 21 including a trial and probable appeals, would be very expensive and protracted. No one can  
 22 confidently predict how the various legal questions at issue, including the amount of damages,  
 23 would ultimately be resolved. Therefore, upon careful consideration of all of the facts and  
 24 circumstances of this case, Plaintiffs and Class Counsel believe that the Settlement is fair,  
 25 reasonable, and adequate.

26

27

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1       **IV. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER?**

2  
3              Plaintiffs as Class Representatives and Class Counsel represent your interests as a  
4              Class Member. Unless you elect not to participate in the Settlement by timely filing an Exclusion  
5              Form, you are a part of the Class, you will be bound by the terms of the Settlement and any final  
6              judgment that may be entered by the Court, and you will be deemed to have released the claims  
7              against UBS and the other released parties described above. As a member of the Class, you will  
8              not be responsible for the payment of attorneys' fees or reimbursement of litigation expenses  
9              unless you retain your own counsel, in which event you will be responsible for your own  
10             attorneys' fees and costs.

11  
12       **A. Claiming Your Share of the Settlement.**

13  
14              To receive a share of the Settlement proceeds, you must sign the enclosed Claim  
15              Form and mail it via first class mail to:

16  
17              UBS Financial Services Inc. Claims Administrator  
18              Rust Consulting Inc.  
19              625 Marquette Avenue, Suite 880  
20              Minneapolis, MN 55402-2469

21              To be valid, the Claim Form must be completed in full, signed by you under  
22              penalty of perjury, and accompanied by a photocopy of your driver's license or other form of  
23              government issued picture identification (e.g., passport). The Claim Form must be postmarked  
24              not later than **September 22, 2006**. A Class Member who does not mail a Claim Form in the  
25              manner and by the deadline specified above will not receive a share of the Settlement proceeds.

1           **B.       Commenting in favor of the Settlement.**

2  
3           You may, but are not required to, comment in favor of the Settlement. If you wish  
4 to comment in favor of the Settlement, your comments must be in writing and mailed via first class  
5 mail on or before September 22, 2006 to the following:

6  
7           Office of the Clerk  
8           United States District Court, Northern District of California  
9           450 Golden Gate Avenue, 16<sup>th</sup> Floor  
10          San Francisco, California 94102

11  
12          James F. Clapp  
13          Dostart Clapp Gordon & Coveney, LLP  
14          4370 La Jolla Village Drive, Suite 970  
15          San Diego, CA 92122

16  
17          M. Kirby C. Wilcox  
18          Paul, Hastings, Janofsky & Walker LLP  
19          55 Second Street, 24th Floor  
20          San Francisco, CA 94105

21  
22          Your written comments must include your full name, address, date of birth, and  
23 dates of your employment at UBS and must reference this case, Bowman v. UBS Financial  
24 Services, Inc., Case No. C-04-03535 MMC. In addition, your written comments must indicate  
25 whether you intend to appear at the Final Approval Hearing scheduled for November 17, 2006 at  
26 9:00 a.m. **PLEASE DO NOT TELEPHONE THE COURT, DEFENDANT'S COUNSEL,**  
27 **OR UBS.**

28           **C.       Objecting to the Settlement.**

29  
30          If you are dissatisfied with any of the terms of the Settlement, you may object to  
31 the Settlement. Any objection to the Settlement must be in writing and must explain, in clear and  
32 concise terms, the basis for your objection. In addition, in order to be considered, your objection

must be mailed via first class mail on or before September 22, 2006 (as evidenced by the postmark) to the following:

Office of the Clerk  
United States District Court, Northern District of California  
450 Golden Gate Avenue, 16<sup>th</sup> Floor  
San Francisco, California 94102

James F. Clapp  
Dostart Clapp Gordon & Coveney, LLP  
4370 La Jolla Village Drive, Suite 970  
San Diego, CA 92122

M. Kirby C. Wilcox  
Paul, Hastings, Janofsky & Walker LLP  
55 Second Street, 24th Floor  
San Francisco, CA 94105

Your objection must include your full name, address, date of birth, and dates of your employment at UBS and must reference this case, Bowman v. UBS Financial Services, Inc., Case No. C-04-03535 MMC. In addition, your objection must indicate whether you intend to appear at the Final Approval Hearing scheduled for November 17, 2006 at 9:00 a.m.

Any Class Member who does not object to the Settlement in the manner described above will be deemed to have waived any objections and will be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. If the Court rejects your objection, you will still be bound by the terms of the Settlement, unless you also submit a Claim Form or an Exclusion Form in the manner described in this Notice. **PLEASE DO NOT TELEPHONE THE COURT, DEFENDANT'S COUNSEL, OR UBS.**

1           4.       Excluding Yourself from the Settlement.

2  
3           If you do not wish to participate in the Settlement, you must complete the enclosed  
4           Exclusion Form and mail it via first class mail to:

5  
6           UBS Financial Services Inc. Claims Administrator  
7           Rust Consulting Inc.  
8           625 Marquette Avenue, Suite 880  
9           Minneapolis, MN 55402-2469

10  
11  
12           To be valid, the Exclusion Form must be completed, signed by you under penalty  
13           of perjury, accompanied by a photocopy of your driver's license or other form of government  
14           issued picture identification (e.g., passport). The Exclusion Form must be postmarked not later  
15           than **September 22, 2006**. If the Exclusion Form is sent from within the United States it must be  
16           sent through the United States Postal Service via registered or certified mail, with return receipt  
17           requested. A Class Member who fails to mail an Exclusion Form in the manner and by the  
18           deadline specified above will be bound by all terms and conditions of the Settlement, if the  
19           Settlement is approved by the Court, and the Judgment, regardless of whether he or she has  
20           objected to the Settlement.

21  
22  
23           Any person who files a complete and timely Exclusion Form will, upon receipt, no  
24           longer be a member of the Settlement Class, will be barred from participating in any portion of  
25           the Settlement, and will receive no benefits from the Settlement. Any such person, at his or her  
26           own expense, may pursue any claims he or she may have against UBS, its affiliates, predecessor,  
27           or acquired companies.

1        **V.     FINAL SETTLEMENT APPROVAL HEARING**

2  
3                  The Court will hold a final approval hearing in Courtroom 7, 19th Floor of the  
4                  United States District Court, 450 Golden Gate Avenue, 19th Floor, San Francisco, California  
5                  94102, on November 17, 2006 at 9:00 a.m. to determine whether the Settlement should be finally  
6                  approved as fair, reasonable, and adequate. The Court will also be asked to approve Class  
7                  Counsel's request for costs and attorneys' fees and the special payment made to plaintiffs as the  
8                  Class Representatives.

9  
10                 The hearing may be postponed without further notice to the Class. It is not  
11                 necessary for you to appear at this hearing.

12  
13        **VI.    GETTING MORE INFORMATION**

14  
15                 The above is a summary of the basic terms of the Settlement. For the precise  
16                 terms and conditions of the Settlement, you are referred to the detailed Joint Stipulation of  
17                 Settlement and Release Between Plaintiffs and Defendant, which will be on file with the Clerk of  
18                 the Court. The pleadings and other records in this litigation including the Settlement Agreement,  
19                 may be examined at any time during regular business hours in the United States District Court,  
20                 450 Golden Gate Avenue, 19th Floor, San Francisco, California, or you may contact Class  
21                 Counsel or the Claims Administrator. **PLEASE DO NOT TELEPHONE THE COURT,**  
22                 **DEFENDANT'S COUNSEL OR UBS FOR INFORMATION REGARDING THIS**  
23                 **SETTLEMENT OR THE CLAIM PROCESS!**

**EXHIBIT 2**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

JEFF BOWMAN AND LAUROS REYES  
aka LARRY REYES , individually, and on  
behalf of all others similarly situated.

CASE NO. C-04-03525 MMC

## **CLAIM FORM**

**Plaintiffs,**

vs.

UBS FINANCIAL SERVICES INC., and  
DOES 1 through 50, inclusive.

#### Defendants.

**IF YOU WANT TO RECEIVE YOUR SHARE OF THIS CLASS ACTION  
SETTLEMENT, COMPLETE THIS FORM IN ITS ENTIRETY, SIGN THE FORM  
UNDER PENALTY OF PERJURY, ENCLOSURE A PHOTOCOPY OF YOUR DRIVER'S  
LICENSE OR OTHER FORM OF GOVERNMENT ISSUED PICTURE  
IDENTIFICATION (E.G., PASSPORT), AND MAIL IT TO THE ADDRESS BELOW,  
POSTMARKED NOT LATER THAN SEPTEMBER 22, 2006:**

UBS Financial Services Inc. Claims Administrator  
Rust Consulting Inc.  
625 Marquette Avenue, Suite 880  
Minneapolis, MN 55402-2469

I declare as follows:

(1) I received notice of the proposed settlement in this action and I wish to receive my share of the proposed Settlement.

(2) During all or part of the period from June 30, 2000 through June 30, 2006, I was employed by UBS Financial Services Inc. ("UBS"), in the State of California as a Financial Advisor and/or New Financial Advisor or Financial Advisor Trainee.

(3) Please check only one:

- I agree with UBS's records that I worked a total of \_\_\_\_\_ full or partial months as a Financial Advisor and/or New Financial Advisor or Financial Advisor Trainee in California during the time period June 30, 2000 through June 30, 2006.
  - I disagree with UBS's records and instead contend that I worked a total of \_\_\_\_\_ full or partial months as a Financial Advisor and/or New Financial Advisor or Financial Advisor Trainee in California during the time period June 30, 2000 through June 30, 2006.

(4) While employed by UBS as a Financial Advisor and/or New Financial Advisor or  
ial Advisor Trainee during the time period June 30, 2000 through June 30, 2006, I worked  
ess of 8 hours per day (not including meal periods) or in excess of 40 hours per week (not  
ng meal periods) or I incurred a business-related expense for which I did not receive  
bursement from UBS.

Executed on \_\_\_\_\_, 2006, at \_\_\_\_\_:

I declare under penalty of perjury that the foregoing and the information provided below is true and correct.

(Signature)

(Typed or Printed Name)

(Address)

(City, State, Zip Code)

(Telephone Number, Including Area Code)

(Social Security Number)

**EXHIBIT 3**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

JEFF BOWMAN AND LAUROS REYES  
aka LARRY REYES , individually, and on  
behalf of all others similarly situated,

CASE NO. C-04-03525 MMC

## **EXCLUSION FORM**

**Plaintiffs,**

VS.

UBS FINANCIAL SERVICES INC., and  
DOES 1 through 50, inclusive,

#### Defendants.

**IF YOU WANT TO BE INCLUDED IN THIS CLASS ACTION SETTLEMENT,  
DO NOT FILL OUT THIS FORM.**

**IF YOU DO NOT WANT TO BE INCLUDED IN THE SETTLEMENT,  
COMPLETE THIS FORM IN ITS ENTIRETY, SIGN THE FORM  
UNDER PENALTY OF PERJURY, ENCLOSE A PHOTOCOPY OF  
YOUR DRIVER'S LICENSE OR OTHER FORM OF GOVERNMENT  
ISSUED PICTURE IDENTIFICATION (E.G., PASSPORT) AND MAIL IT  
VIA CERTIFIED MAIL TO THE ADDRESS BELOW, NOT LATER  
THAN SEPTEMBER 22, 2006.**

UBS Financial Services Inc. Claims Administrator  
Rust Consulting Inc.  
625 Marquette Avenue, Suite 880  
Minneapolis, MN 55402-2469

I declare as follows:

I was employed by UBS Financial Services Inc. (“UBS”), in the State of California as a Financial Advisor and/or New Financial Advisor or Financial Advisor Trainee during all or part of the period from June 30, 2000 through June 30, 2006. I received notice of the proposed settlement in this action, and I wish to be excluded from the class and ***not*** to participate in the proposed settlement.

1 Dated: \_\_\_\_\_, 2006.

2 \_\_\_\_\_  
3 (Signature)

4 \_\_\_\_\_  
5 (Typed or Printed Name)

6 \_\_\_\_\_  
7 (Address)

8 \_\_\_\_\_  
9 (City, State, Zip Code)

10 \_\_\_\_\_  
11 (Telephone Number, Including Area Code)

12 \_\_\_\_\_  
13 (Social Security Number)

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